
City of Reading City Council

Regular Meeting Monday, June 9, 2008

A regular meeting of City Council was held on the above date for the transaction of general business.

Vaughn D. Spencer, President of Council, called the meeting to order.

The invocation was given by Reverend Janice Grant

All present pledged allegiance to the flag.

ATTENDANCE

Council President Spencer
Councilor S. Fuhs, District 1
Councilor M. Goodman–Hinnershitz, District 2
Councilor D. Sterner, District 3
Councilor S. Marmarou, District 4
Councilor M. Baez, District 5
Councilor J. Waltman, District 6

Mayor T. McMahon
Finance Director, R Hottenstein
City Solicitor C. Younger
City Auditor D. Cituk
Public Works Director C. Jones
City Clerk L. Kelleher
Sergeant at Arms Sgt.. Linderman

PROCLAMATIONS AND PRESENTATIONS

City Council issued commendations to:

- RHS School Show, accepted by Jeannette DeAngelo.
- Recognizing the 75th Anniversary of Stoudt Auto Sales
- Recognizing the Anniversary of the Reading VFW Post 38
- Installation of a mural at 608 Franklin Street and presenting recognition certificates to those who participated.

Mayor McMahon issued the following proclamation:

- Recognizing Julio Arroyo Jr. for saving a life of a fellow citizen

PUBLIC COMMENT

Council President Spencer announced that one individual was registered to address Council on Non-Agenda matters. He inquired if any of the Councilors objected to suspending the rule that would allow comment on Non-Agenda items at this time. As no one objected, the rule requiring citizens addressing non-agenda matters to speak at the end of the business meeting was suspended. Council President Spencer reminded the citizen of the remaining public speaking rules.

Myron Carl Taylor, of South 9th Street, noted the need for the Administration to change the double standard for residency of certain City employees. He also objected the use of tax payer money to fund the legal challenge of those who do not comply with the Charter's residency requirement.

THE AGENDA AND THE MINUTES

Council President Spencer called Council's attention to the Agenda for this meeting, noting that there are no additions or deletions expected.

Councilor Baez moved, seconded by Councilor Goodman–Hinnershitz, to approve the Agenda for this meeting. The motion was approved unanimously.

MAYOR’S REPORT

Mayor McMahon highlighted the report distributed to Council covering the following:

- Announcing that part 2 of the Budget Summit will be held Saturday June 14th at noon in the Penn Room
- Thanks to everyone contributing to the success of the 3rd Commerce Bank Reading Classic bike race, on Thursday June 5th
- Welcoming The Archive and Abigail’s Tea Room to new Reading businesses
- Announcing the Centre Park Historic District Garden Tour on Saturday, June 21st from 10–4 pm
- Announcing Friday, June 20th as the City Day / Mid Day Café at 5th & Penn Street from 11:30–1:30 pm, which offers citizens the opportunity to dunk or throw a pie at their favorite City Official

Councilor Goodman–Hinnershitz noted the uniqueness of Abigail’s Tea Room located at Clymer Street and Perkiomen Avenue, in District 2 and The Archive located at 5th & Penn.

Councilor Goodman Hinnershitz requests that the Public Works Agenda include a Report from the Public Works Department, on its ability to handle the increased work load during the summer months.

Councilor Goodman–Hinnershitz noted that the City’s Parks are smoke free zones.

AUDITORS REPORT

City Auditor Dave Cituk read the report distributed to Council at the meeting covering the following:

- Highlighting the May 31st Budget Summit
- Report on 2007 Municipal Sewage Payments from outlying municipalities
- 2007 update on the City's external audit

City Council requested that the Auditor provide a report for municipal sewage payments by Reading users.

Councilor Fuhs questioned the ability of the Administration and Auditor to make changes to the draft copy of the external audit before it is finalized. City Auditor replied that the External Auditor prepares a draft report of the audit of the City's General Fund to provide the Administration opportunity to respond to findings and issues. He stated that the draft is not a public document until it is finalized. He noted that in prior years Council does not have opportunity to review the draft audit; however a meeting to highlight the findings and issues could be arranged for the July Finance Meeting.

Councilor Fuhs inquired if the Administration presents a corrective action plan to address the findings and issues identified by the External Auditor. City Auditor Cituk replied that the Administration does present a response to each of the findings made by the External Auditor.

City Council requested a report from the City Auditor showing a list of all findings made by the external auditor for the past eight years, with a list of the steps taken by the Administration to cure the issues and a notation showing whether the findings were corrected or are still unresolved.

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REPORTS FROM BOARDS AUTHORITIES AND COMMISSIONS

Steve Karnat, representing the Officers and Employee Pension Board, explained that the Pension Program falls under the 1941 optional Pension Plan. He stated that the Pension Board is made up of the Auditor, Mayor, Finance Director, two employees, and one retiree elected by the membership. He explained that the Pension Board is assisted by a Pension Administrator, Independent Solicitor, Money Managers, and a Bank. The Pension System currently serves 295 retirees. He stated there are currently 342 full time employees participating in the Pension Program. Mr. Karnat stated that there are two pension systems in place; the first provides 20 service years and 55, for employees hired before January 1st 1988. The second requires 25 service years and 65 for employees hired after January 1st 1988. He stated that the current market value of the Officers and Employees Pension System is approximately \$55 million. He stated that COLA's were given to retirees in 2000 and 2008. The quotas were scaled based on the number of years since the date of the retiree's retirement.

Mr. Karnat announced that the O&E Pension Board meets on the 3rd Wednesday of every month at 1:30pm, in the Penn Room. He noted that Human Resources is currently seeking a new Pension Administrator. City Auditor Cituk stated that Mr. Karnat has been serving on the O&E Pension Board since 2000. He noted Mr. Karnat's dedicated service and professionalism. Mayor McMahon agreed and added that it was an honor to work on the Pension Board with Mr. Karnat and his colleagues.

ORDINANCES FOR FINAL PASSAGE

Bill 37-2008 - empowering the Parking Authority to issue abandoned vehicle reports for all vehicles towed due to parking violations (**Parking**

Authority, Police Chief, Council Staff) *Introduced at the May 12 regular meeting*

Councilor Sterner moved, seconded by Councilor Goodman Hinnershitz, to enact Bill 37-2008.

Council President Spencer stated that the enactment of this Ordinance would allow the Parking Authority to issue abandon vehicle reports and tow all vehicles having unclear parking violations.

Bill 37-2008 was enacted by the following vote:

Yea – Beaz, Fuhs, Goodman-Hinnershitz, Marmarou, Sterner, Waltman, – 6

Nays – Spencer President – 1

INTRODUCTION OF NEW ORDINANCES

Council President Spencer read the following Ordinances into the record:

Ordinance – Amending The City Of Reading Codified Ordinances Section 15-812 Boot Installation by reducing the number of unsettled parking violations from ten (10) to five (5). (Parking Authority – Council Staff) *Discussed at the 5-27 Committee of the Whole*

RESOLUTIONS

None were presented for adoption

COUNCIL COMMENT

Councilor Marmarou announced the College Heights Community Yard Sale, scheduled for Saturday June 14th. The 25 homes participating in the yard sale will be advertised in the Reading Eagle.

Councilor Marmarou stated that he received phone calls from constituents who are in stern opposition of the proposal made by the Administration at the March 31st Budget Summit.

He stressed the belief that there is approximately \$4 million in uncollected income from business licenses, housing permits, and business privilege tax. He noted that in a few weeks Council Staff uncovered an additional 517 illegal rented units, who have not paid the permit license and taxes. He stated that some of these properties have been in existence before 1995. He expressed the belief that the City should work to collect all delinquent fines, fees, and taxes before property taxes are increased or lay offs occur.

Councilor Fuhs stated that Council recently received an 28 page contract to establish a relationship between the City, the parking authority, the redevelopment authority, and the developer interested in proposing the Riverview Development in District 1. He noted the need for the financial and legal analysis of the document to protect the City against any liability. He requested that the developer provide Council with the opportunity to review and discuss this document before any special meeting is scheduled.

Councilor Goodman- Hinnershitz agreed with Councilor Fuhs and the need to weigh all issues before any Council action occurs. She noted the great potential of the project and the need to refine the document in a way that protects the City's position.

Councilor Goodman–Hinnershitz noted the vast amount of park space located in District 2 and the effect of the reduction of Public Works staff will have their own ability to maintain the park space.

Councilor Goodman– Hinnershitz announced District 2 community group meetings scheduled for the next 2 weeks.

Councilor Baez noted the Dare to Care community meeting scheduled for June 19th. She stated that Dare to Care meets regularly on the 3rd Thursday of the month at 5:30 pm at the AME Bethel Church.

Councilor Baez stated that she is arranging a Town Meeting for the first Thursday in July at Baer Park.

Councilor Sterner expressed congratulations to those receiving commendations this evening. He also noted the great character of the young gentlemen who assisted a fellow human being.

Finance Director Hottenstein stated that the Administration understands the concern expressed about uncollected permit, fees, license fees, and taxes. He stated that the Administration will work to find all uncollected revenues. Mayor McMahon agreed and requested for more time to review this issue further.

Mayor McMahon also agreed with the need for a thorough review of the document that will allow the redevelopment of a large parcel in District 1.

Mayor McMahon noted that Real Estate taxes only grew 2.8% between 1992 and 2008. He noted that the property tax increase was a suggestion only.

Council President Spencer expressed congratulations to the recent graduates of Reading Senior High, Central Catholic, and Holy Name.

Council President Spencer agreed with the collection of all delinquent and unpaid fees to the City. He also agreed with the need for a thorough legal review of the proposal submitted by the Giannasca's.

Councilor Waltman noted that the City lost a good citizen with the passing of Betty Isaac. He stated that Ms. Isaac was very committed to the City and involved in the City and County Democratic Committees. He expressed sympathy to the Isaac family.

Councilor Waltman also commended President Spencer on his recent retirement from the Reading School District, where he worked to educate Reading's Children for 33 years.

Councilor Waltman moved, seconded by Councilor Marmarou, to adjourn the Regular Meeting of Council.

Linda Kelleher
City Clerk